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South-South cooperation for development

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Summary

The present report is submitted on the basis of decision 14/2 of the High-level Committee on South-South Cooperation. It covers (a) the status of the implementation of the guidelines for South-South cooperation and the common results framework that has been incorporated into the guidelines; (b) the status, management and use of the United Nations Fund for South-South Cooperation and other related resources for South-South cooperation; and (c) the organizational, administrative and financial arrangements of the United Nations Development Programme. Based on the analytical assessment in the present report, a number of recommendations are made to advance further the objectives of South-South cooperation.

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I. Introduction

1. In its decision 14/2,[1] the High-level Committee on South-South Cooperation sought to strengthen the effectiveness and coherence of the United Nations system-wide support for South-South cooperation. To that end, the High-level Committee urged relevant organizations and agencies of the United Nations development system to follow the guidelines for the review of policies and procedures concerning technical cooperation among developing countries (now South-South cooperation), including the United Nations common results framework on technical and economic cooperation among developing countries, and to mainstream South-South cooperation in the design, formulation, implementation, evaluation and reporting on their programmes.

2. In reaffirming the need to strengthen further the role of the Special Unit for South-South Cooperation in the United Nations Development Programme (UNDP) as a separate entity and a focal point for South-South cooperation within the United Nations system, the High-level Committee requested the Special Unit (a) to undertake consultations with Member States and United Nations bodies with a view to updating the new directions strategy for technical cooperation among developing countries; (b) to improve networking among all development actors with a view to fostering public-private partnerships that include civil society organizations, non-governmental organizations, academia and the private sector; and (c) to intensify its support for national South-South focal points in order to scale up the impact of South-South cooperation on the development efforts of the least developed countries, landlocked developing countries and small island developing States.

3. The High-level Committee welcomed the strategic orientation of the third cooperation framework for South-South cooperation of the Special Unit for South-South Cooperation for the period from 2005 to 2007. The framework aims to establish three global and system-wide support platforms: (a) a platform for policy exchange (platform 1); (b) a public- and private-sector engagement platform (platform 2); and (c) a knowledge-sharing platform (platform 3). The High-level Committee reaffirmed that existing regular resources of UNDP would continue to fund the activities of the Special Unit in order for it to discharge effectively its system-wide focal point functions. It also encouraged the Special Unit to explore and undertake intensive and innovative resource-mobilization initiatives to attract more support, both financial and in kind, to supplement regular resources.

4. The present report highlights the main progress made by United Nations bodies, including UNDP, and by the Special Unit for South-South Cooperation, in implementing decision 14/2 of the High-level Committee.

II. Implementation of the guidelines for South-South cooperation by the United Nations development system

5. There has been a remarkable upsurge in South-South cooperation in recent years due in large measure to the more deliberate efforts made by a large number of developing countries, especially the pivotal countries, to promote and implement

[1] See *Official Records of the General Assembly, Sixtieth Session, Supplement No. 39* (A/60/39), chap. I.

South-South cooperation as a national priority for international cooperation. Many of those countries have developed specific South-South policy instruments, strengthened national South-South focal-point mechanisms and significantly increased resource allocations for South-South initiatives intended to benefit a large number of other developing countries, especially the least developed countries, landlocked developing countries and small island developing States. That being the case, the demand from the developing countries for support from the United Nations development system for such cooperation is increasing. This section of the report highlights the efforts made by the United Nations bodies, including UNDP, and the Special Unit, in implementing the guidelines.

6. Among the United Nations bodies, UNDP has, under its multi-year funding framework for 2004-2007, included South-South cooperation as one of the drivers of development effectiveness. That strategic policy orientation has resulted in an organization-wide effort to have its headquarters units and country offices integrate the application of South-South cooperation in all the UNDP practice areas. According to a survey conducted by UNDP in preparing its 2005 and 2006 multi-year funding framework reports, the reported degrees of medium to high reliance on South-South solutions by country offices in delivering programme activities in the five practice areas were: poverty (58 per cent), governance (56 per cent), environment (50 per cent), crisis prevention (60 per cent) and HIV/AIDS (67 per cent).

7. Regional bureaux within UNDP have also been active in promoting South-South initiatives to address the particular needs of the countries in their regions. The Regional Bureau for Latin America and the Caribbean, for example, decided to make South-South cooperation one of the four main focus areas in its new strategic plan for 2008-2011. The Regional Bureau for Asia and the Pacific reported that it spent over $1 million on activities to promote South-South cooperation in 2005 and 2006. Many of those initiatives reflected the urgent needs of developing countries in Asia, including training and educational workshops on disaster assessment, disaster risk reduction and earthquake vulnerability. The Regional Bureau for Asia and the Pacific has strengthened the promotion of South-South cooperation exchanges in its networks through the establishment or strengthening of national and disaster focal points in Bangladesh, China, Fiji, India, Indonesia, Iran (Islamic Republic of), Maldives, the Philippines, Sri Lanka and Thailand.

8. Responses to a questionnaire circulated by the Special Unit for South-South Cooperation indicated that UNDP country offices, regional offices and United Nations entities have observed a significant rise in South-South cooperation. Among UNDP country offices, respondents in Albania, Argentina, Cape Verde, Chile, Rwanda and Uruguay reported that they had engaged in high levels of both triangular and bilateral South-South cooperation, particularly in areas of poverty alleviation and democratic governance. Other countries, such as Botswana, Burkina Faso, Equatorial Guinea, Madagascar, Thailand and the United Arab Emirates reported that HIV/AIDS was also a key area where South-South cooperation had been applied very effectively in the past several years.

9. In many countries, multiple entry points were used to promote South-South cooperation. Almost half of the UNDP respondents cited the country cooperation framework and the strategic results framework as their main entry point, while about one fourth of the country offices also mentioned the poverty reduction

strategy plan, the results-oriented annual report and the United Nations Development Assistance Framework as main entry points. Country offices in Botswana, Bulgaria, Peru, Rwanda, the United Arab Emirates and Uruguay, and the Bratislava Regional Centre, cited the use of alternative entry points for South-South cooperation, including ad hoc projects, regional programmes, country programmes and an aid coordination unit.

10. The commitment of the United Nations Industrial Development Organization (UNIDO) to furthering South-South cooperation was highlighted at its general conference, held from 28 November to 2 December 2005, at which a resolution was adopted to promote South-South cooperation as an important feature of its current and future work through enhanced collaboration with other agencies of the United Nations system. That would entail implementation of concrete programmes to strengthen linkages between industry and trade by establishing centres for South-South industrial cooperation in several of the more advanced developing countries. The goal of such centres would be to stimulate the development of mutually beneficial partnerships between the more advanced developing countries hosting them and the least developed countries.

11. In 2006, UNIDO implemented that policy by establishing a South-South capacity-building network for biosafety training involving the Universities of Concepción, in Chile, Dar es Salaam, in the United Republic of Tanzania, and Malaya, in Malaysia. Those universities are to be knowledge-support centres for the implementation of national and international regulations, including the Cartagena Protocol on Biosafety to the Convention on Biological Diversity and the World Trade Organization agreements.[2] UNIDO has also set up a South-South Cooperation Centre in India that will link to Brazil, China and the Russian Federation with the goal of disseminating the industrial experience of those countries to least developed countries.[3]

12. The United Nations Environment Programme (UNEP) has also played a key role in institutionalizing South-South cooperation in its overall policies and programmes, through the implementation of the Bali Strategic Plan for Technology Support and Capacity-building, which has become the cornerstone for UNEP work since its adoption in 2004. In November 2005, UNEP held a high-level consultation for the special session of the Governing Council/Global Ministerial Environment Forum to consider the way forward for the South-South cooperation component of the Bali Strategic Plan. UNEP has since worked to identify strategic alliances and priorities for promoting South-South cooperation with respect to priority environmental issues such as water, energy, health, agriculture and biodiversity. It has also assigned a focal point for South-South cooperation in the capacity-building and partnerships sections of the UNEP Division of Early Warning and Assessment.

13. In 2005 and 2006, the Food and Agriculture Organization of the United Nations (FAO) deepened its involvement in South-South cooperation, building on its adoption of a policy in 1994 to integrate the concept through its Special Programme for Food Security. The Special Programme helps developing member countries to lessen the rate of hunger and malnutrition and to stimulate local economic growth. As of 2006, the Special Programme was present in more than

[2] http://www.unido.org/en/doc/53173.

[3] http://www.ficci.com/media-room/speeches-presentations/2006/mar/unido.doc.

100 countries and the South-South Cooperation Programme was being implemented in 35 countries, with over 700 experts and technicians working in farming communities.[4]

14. The United Nations Children's Fund (UNICEF) has taken steps to establish links with non-governmental organizations to address child mortality through its partnership with the Society for Education, Action and Research in Community Health, specializing in community-based interventions to reduce neonatal mortality, an urgent development challenge faced by many developing countries. UNICEF has also undertaken a number of learning missions and exchanges in Latin America and the Caribbean in the areas of HIV/AIDS, social welfare systems, education, child protection networks, training of teachers and educators and juvenile justice, through South-South exchanges. UNICEF reports that technical cooperation among developing countries is an important component of its Thailand country programme, where it has worked with the Government and regional officials to address a number of development challenges, such as HIV/AIDS and water supply and sanitation.

15. The Economic Commission for Latin America and the Caribbean reported that in 2004 and 2005 it undertook over 180 projects amounting to almost $20 million to promote South-South cooperation. It also implemented policies for access to and use of information and communications technology with financial assistance from the European Union under the Alliance for the Information Society. In addition, it has partnered with the Network of Institutions and Experts on Social and Environmental Statistics to produce timely and reliable social and environmental statistics to improve the effectiveness and monitoring of development policies.

16. Another area where United Nations entities, in particular, have effectively implemented the guidelines is in their capacity-building efforts, which have been tailored to the needs of individual countries and specific regions. For example, the United Nations Conference on Trade and Development (UNCTAD) has continued to assist the Southern African Development Community (SADC) through its project to support SADC regional integration and the multilateral trading system. The project gives the SADC secretariat, its Government officials and negotiating machinery technical assistance in institution- and capacity-building to assist SADC countries in addressing trade challenges and in securing business deals.[5] In Latin America, UNCTAD signed a memorandum of understanding in February 2007 with Guatemala, offering support for the business information centre of the Ministry of Economy where local entrepreneurs can gain access to information on UNCTAD trade and investment projects.[6]

17. Consistent with the guidelines, South-South cooperation is more evident in activities of the United Nations system and is more likely to have an impact on a larger number of countries than had been affected previously. In addition, new trends in triangular cooperation have emerged involving the pairing of United Nations agencies with the private sector and/or Governments in the North and South to foster South-South and triangular cooperation. In February 2005, for instance, the Joint United Nations Programme on HIV/AIDS (UNAIDS) signed a memorandum of understanding with the Asian Development Bank (ADB) to strengthen national capacities to scale up AIDS response mechanisms in Asia and the Pacific and

[4] http://www.fao.org/spfs/south_en.asp.

[5] http://www.unctad.org/templates/Page.asp?intItemID=3996&lang=1.

[6] *People's Daily Online*, 20 February 2007.

generate additional funds for the AIDS response in the region by engaging leaders and various sectors in Asia. The initiative was launched after the publication of a joint 2004 UNAIDS/ADB report, which estimated that an additional 10 million people in Asia and the Pacific would be infected by AIDS by the end of the decade without urgent action.

III. Role of the Special Unit for South-South Cooperation

18. During the period under review, the Special Unit for South-South Cooperation continued to perform its United Nations system-wide coordination and focal-point functions as mandated by the General Assembly, namely, to (a) advocate and promote South-South cooperation as a development agenda for global and system-wide support; (b) catalyse and innovate public policy-supported and market-based mechanisms to enable all development partners to engage in and support concrete South-South and triangular initiatives; (c) facilitate and coordinate the global and United Nations system efforts and monitor performance by all relevant partners; and (d) forge inclusive partnerships and mobilize resources, including from the private sector, to support South-South cooperation.

19. To fulfil the above-mentioned General Assembly mandate and carry out its system-wide functions, the Special Unit set forth its priorities and focus in its third cooperation framework for South-South cooperation (2005-2007), which was endorsed by the Executive Board. Its aim was to create three mutually reinforcing global and United Nations system-wide support platforms: (a) a global and system-wide policy dialogue and exchange platform; (b) a policy-supported, market-based and self-sustaining public- and private-sector transaction platform; and (c) a platform for sharing South-South development knowledge. The three platforms should enable all development partners interested in South-South cooperation to engage directly in and conduct South-South policy dialogue, forge public-private partnerships for development, and exchange development experiences to achieve the internationally agreed development goals, including the Millennium Development Goals.

Promoting South-South cooperation as a development agenda

20. Extending the agenda for South-South cooperation beyond concerns for political solidarity and focusing more on development outcomes have constituted the overarching goal of the Special Unit in the period under review. To assist developing countries to negotiate effective South-South approaches to development, the Special Unit for South-South Cooperation has provided support to various policy dialogue processes of the Group of 77 to address the development challenges of the least developed countries, landlocked developing countries and small island developing States. Substantive support was provided to the follow-up and implementation of the relevant decisions of the Second South Summit, including initial steps towards the formulation of a development platform for the South.

21. To foster the application of technological and scientific innovations in the development policies of the South, the Special Unit also provided support to the meeting of the Ministers of Science and Technology of the member States of the Group of 77, held in Rio de Janeiro, Brazil, in September 2006. At that meeting, it was decided that the Third World Network of Scientific Organizations, based in

Trieste, Italy, would become the Consortium on Science, Technology and Innovation for the South. The Special Unit and the United Nations Educational, Scientific and Cultural Organization (UNESCO) will continue to support the Consortium.

22. In its continuous search for innovative development solutions, the Special Unit organized a number of South-South policy dialogue forums relating to remittances, the creative economy and technology transfer. In February 2006, for example, it co-sponsored the Ministerial Conference of the Least Developed Countries on Enhancing the Development Impact of Remittances. The Conference issued a Ministerial Declaration urging both recipients of migrants and migrants' countries of origin to create a more supportive environment that would include safe and cost-effective mechanisms for the transfer of remittances. The heads of delegation of the least developed countries requested that the International Organization for Migration and other organizations create an international migrant remittances observatory for least developed countries, which would document and disseminate information on remittance flows, best practices and related issues.

23. The first UNDP Round Table on Remittances was organized in New York with the UNDP Bureau for Development Policy and the Rockefeller Foundation as an input to the High-level Dialogue on International Migration and Development, held in New York in September 2006. Partnerships on remittances were established with UNICEF, the Bureau for Development Policy and regional development banks.

24. As the secretariat to the High-level Committee on South-South Cooperation, the Special Unit continued to conduct research to inform discussions of the High-level Committee and other South-South forums. Reports on the implementation of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries and the New Directions Strategy for technical cooperation among developing countries were prepared for the fourteenth and fifteenth sessions of the High-level Committee, in 2005 and 2007, respectively. In 2005, the Special Unit prepared the report of the Secretary-General on the state of South-South cooperation, submitted to the General Assembly at its sixtieth session (A/60/257). It also prepared a report on the implementation of the third cooperation framework for South-South cooperation, in 2006, followed by a series of other reports and an issues paper that contained lessons to be considered in the formulation of the fourth cooperation framework for South-South cooperation (2008-2010).

25. In further efforts to place development at the centre of South-South relations, the Special Unit for South-South Cooperation is revising the new directions strategy for technical cooperation among developing countries of 1995 to provide a new framework that will guide Member States and United Nations entities in fostering South-South cooperation for the next 5 to 10 years. The revision, which was requested by the High-level Committee at its fourteenth session,[7] will build on the major changes in the nature of South-South cooperation over the last 12 years.

26. In response to the request made at the Second South Summit, the Special Unit has formed a partnership with a number of United Nations bodies and other partners, including the South Centre, to regularly analyse trends and opportunities in South-South cooperation in preparation for the publication of the *South Report*. The

[7] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 39* (A/60/39), chap. I, decision 14/1, para. 13.

2005 issue of *Cooperation South*, a policy-oriented publication of the Special Unit, highlighted the value and role of South-South cooperation in efforts to meet the Millennium Development Goals on the basis of discussions and articles prepared by a team of experts. Hard copies of the publications of the Special Unit are distributed to all developing countries and they are available online at http://tcdc1.undp.org/publications.aspx.

27. To engage a larger number of partners in South-South cooperation, the Special Unit has re-established the South-South focal-point network to include civil-society and private-sector actors, in addition to Government representatives. In 2006, the network for the 15 members of the Economic Community of West African States was upgraded and, in 2007, the network is to be extended to the East African and the Caribbean Communities. The expansion of the focal-point network was preceded by needs assessment studies of South-South cooperation in all 35 countries covered to date. Those studies have shed light on the nature and scope of South-South activities resulting from the implementation of various regional treaties in Africa and the Caribbean. They also explain in greater depth the South-South initiatives that address challenges faced by groups of countries.

28. The focal-point network has been linked together by a monthly e-newsletter that was launched in mid-2006. The e-newsletter includes information on new technologies and business solutions, meetings and other innovations designed to address development challenges in the South.[8] The Special Unit for South-South Cooperation has also increased its outreach through the posting of staff to UNDP Regional Centres in Bangkok and Johannesburg, South Africa.

29. The Special Unit for South-South Cooperation has also been reaching out to partners in the North in order to advance triangular cooperation. In January 2006, the Special Unit co-organized a meeting of southern providers of development assistance and the Development Assistance Committee of the Organization for Economic Cooperation and Development.

30. In efforts to foster widespread awareness of the value of South-South approaches to development, the Special Unit planned and hosted the second and third annual United Nations Day for South-South Cooperation at Headquarters, on 19 December 2005 and 2006, respectively. The 2005 event highlighted the importance of creative industries as an innovative driver for development. The celebration drew participants from all major partners of the United Nations system and provided an excellent opportunity for networking.

Catalysing and innovating mechanisms for public- and private-sector engagement

31. In efforts to consolidate the contribution of the public and private sectors to human development, the Special Unit for South-South Cooperation has worked, under platform 2 of the third cooperation framework for South-South cooperation (2005-2007), to encourage the development of small and medium-sized enterprises through the facilitation of interregional networks linking countries in Africa and Asia. Drawing on the experience of an Asian network of small and medium-sized enterprises, the Asian Network for Industrial Information and Extension (Technonet Asia), which was created more than 30 years ago, the Special Unit has established a similar network, Technonet Africa. The goal of the Africa-Asia partnership was to

[8] http://tcdc1.undp.org/enews/enewsletter.aspx.

link the network of 10 member organizations in seven African countries with Technonet Asia. The organizations in the Asian network are mainly facilities that provide technical support to small and medium-sized enterprises through research and development, quality control and extension services. Exchanges between the two networks have consisted of seminars, training sessions and workshops geared towards building the capacity of small and medium-sized enterprises, particularly in least developed countries, landlocked developing countries and small island developing States. The African and Asian Technonet networks are also collaborating to develop a global Technonet that will support the creation and development of such enterprises across the South.

32. The first significant activity under the small and medium-sized enterprise (SME) mechanism was the exposure of African policymakers to Asian experiences in SME management. Ministers or deputy ministers responsible for the development of small and medium-sized enterprises and participating organizations of the seven countries of Technonet Africa visited Malaysia, Thailand and Viet Nam, in April 2005, to observe SME supporting facilities in the three countries. They were deeply impressed by the proactive support of the Asian Governments to the development of small and medium-sized enterprises, reflected in comprehensive policies and legal frameworks, financing mechanisms and extension services.

33. Several follow-up activities were undertaken in 2006. A seminar on how to start and manage SME banks was held in Cameroon, in January, with senior managers from the SME Development Bank of Thailand sharing their experiences in setting up such a bank. Fifty participants attended from Technonet Africa countries, mainly representatives of Ministries of Finance, Trade and Industry; central banks; and bank licensing organizations. The workshop demonstrated to the African participants how SME banks could be a catalyst for development, and the importance of the legal and regulatory frameworks governing the banks. Participants concluded that each country needed to improve the policy environment for finance for small and medium-sized enterprises.

34. In addition, training of trainers in entrepreneurship development was conducted in Ghana in March and April 2006. Four Asian consultants, recommended by Technonet Asia, provided training to 36 participants from member countries of Technonet Africa. The training, which was designed to nurture an entrepreneurial culture in Africa, covered such topics as market research, marketing, business plans and financial analysis. The practical nature of the training and the high quality of the Asian trainers were greatly appreciated by the African participants.

35. In November 2006, a workshop on SME policy and institutions was conducted in Malaysia and Thailand. Government officials of the seven Technonet Africa countries participated in the 17-day workshop. The Malaysian Investment Development Authority and the Office of Small and Medium Enterprises Promotion of Thailand made significant contributions in organizing the workshop, which provided guidelines on policy and institutional frameworks. The Japan International Cooperation Agency and the Governments of Malaysia and Thailand made financial contributions to the workshop through a cost-sharing arrangement.

36. In addition to launching new public-private initiatives that benefit small and medium-sized enterprises, the Special Unit for South-South Cooperation has also maintained consistent support for existing South-South partnerships, such as the Africa Rice Centre that developed new rice varieties for Africa. The Africa Rice

Initiative was created as a mechanism to promote the varieties. The Special Unit is supporting the Initiative in a project to increase the sustainable supply of such seed to rice farmers, through the production of foundation and breeder seeds and the development of capacity for seed production under the national extension services. The seven pilot countries are Benin, the Gambia, Ghana, Guinea, Mali, Nigeria and Sierra Leone. Through an assessment study, the project will also provide information on the impact of the rice varieties on food security, farmers' livelihoods and gender empowerment.

37. Other enterprising food production initiatives supported by the Special Unit include projects executed in Asia in 2005 and 2006 by the Coalition for Agrarian Reform and Rural Development and the Asia-Japan Partnership Network for Poverty Reduction. The exchange and promotion of successful technologies in diversified farming systems has been the main focus of those initiatives.

38. The Special Unit for South-South Cooperation has also sought to build public-private partnerships in new sectors, such as post-conflict recovery. Initial work in this field has been undertaken in Afghanistan in partnership with the South-South Regional Unit in Bangkok and the UNDP country office in Afghanistan. The programme has already facilitated exchanges between Afghanistan and Malaysia in the fruit-drying industry as a way to expand Afghan exports and improve livelihoods for small-scale producers and sellers. The Special Unit has also supported initiatives for capacity development in public administration in Afghanistan, which entail sending 60 advisers from other developing countries, including 30 advisers from India, who will work in Afghan public service for up to one year beginning in 2007.

39. Another project benefiting from an Africa-Asia network focused on credit analysis and development finance for managers of development finance institutions in Africa. Fifteen African executives from development finance institutions in nine countries (Cameroon, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Uganda, United Republic of Tanzania and Zimbabwe) spent one week in Malaysia and one week in Thailand in July 2006. The programme, which was conducted by the Development Bank of Malaysia and the SME Development Bank of Thailand, sought to provide an overview of the role of development finance institutions in SME development and the importance of credit analysis.

40. The objective of all those initiatives is to establish a global network that will support the creation and development of small and medium-sized enterprises across the south. Technonet Asia has been providing substantial support to the activities of Technonet Africa and has played a crucial role in promoting the Africa-Asia partnership. For Technonet Africa, a Governing Council, comprising all participating organizations, was formed, five participating organizations being selected as Executive Committee members. Both the Governing Council and the Executive Committee have held meetings and have established a constitution. The UNDP Regional Service Centre in Johannesburg has agreed to host a small secretariat for Technonet Africa. Partners in the programme include the Governments of Japan, Malaysia, South Africa and Thailand and the Japan International Cooperation Agency.

41. In further efforts to foster the application of science and technology to private-sector-driven development, the Special Unit for South-South Cooperation has also worked with partners to create the Global Science Corps, a project under the Millennium Science Initiative of the Institute for Advanced Study, in Princeton,

New Jersey, United States of America. The goal is to develop a mechanism to strengthen human and institutional capacity in science and technology and improve the innovative capacity of the private sector in developing countries through collaborative research and training. Under that initiative, a Global Science Corps workshop was held in Nairobi in January 2006, to discuss the development of a South-South programme in which African scientists living abroad would be placed in their home countries or elsewhere in Africa. To carry out that work, a governing structure was created for the Corps and funds were mobilized by the executing agency to send four fellows of the Corps to Africa for a one-year term in 2007. In addition to the Millennium Science Initiative, partners include the Academy of Sciences for the Developing World, the African Academy of Sciences and the Economic Commission for Africa; the Institute of International Education serves in an advisory capacity.

42. The Special Unit for South-South Cooperation is also committed to fostering business-to-business linkages in order to support the growth of entrepreneurship in the South to stimulate job creation and employment opportunities, poverty reduction and achievement of the Millennium Development Goals. To that end, it is establishing the South-South Global Asset and Technology Exchange (GATE) System, a mechanism meant to facilitate many other projects under platform 2. The initiative seeks to develop a system to facilitate the buying and selling of technology among developing countries. The system would also facilitate the mobilization of resources for underfunded development projects and infrastructure development. The objective is to design a transaction facility for developing countries to gain easier access to information, skills, technologies, financing and other assets necessary for social and economic development.

43. When fully operational, the South-South GATE System will provide an online as well as a physical transaction mechanism. Organizations of small and medium-sized enterprises, such as Technonet Asia, Technonet Africa and the Islamic Chamber of Commerce and Industry, are expected to act as facilitators in encouraging member organizations to participate in the system. Financing mechanisms will also be explored to ensure that transactions materialize.

Facilitating and coordinating global and United Nations system-wide support for South-South and triangular cooperation

44. The Special Unit for South-South Cooperation has made significant strides in facilitating and coordinating global and United Nations system-wide support for South-South and triangular cooperation in a number of key areas geared particularly to addressing the development challenges and opportunities facing least developed countries, landlocked developing countries and small island developing States. The Special Unit has sought to establish institutional self-sustaining mechanisms to facilitate ongoing support for South-South cooperation through a process that will result in the establishment of a Global South Development Forum, which will facilitate continuous dialogue among leaders of Government, industry and civil society in the South. Doing so has entailed consultation and partnership with various United Nations entities, including the International Civil Aviation Organization, UNCTAD, the United Nations Population Fund (UNFPA), UNESCO, UNICEF, UNIDO and the United Nations Office for Project Services (UNOPS) as well as a number of United Nations regional commissions and subregional and regional organizations.

45. The Special Unit has also played a key role in facilitating coordination among United Nations organizations and developing countries in building local capacity for disaster management and relief efforts in the aftermath of the 2004 Asian tsunami. In partnership with the Global Environment Facility Small Grants Programme and UNOPS, it has directed small grants to local non-governmental organizations and civil society organizations to assist the countries worst affected by the 2004 tsunami, including India, Indonesia, Maldives, Sri Lanka and Thailand. The Special Unit has also partnered with the Economic and Social Commission for Asia and the Pacific (ESCAP) to assist in the management of the Global Facility for Disaster Risk Management, which is being funded by Algeria through the United Nations Fund for South-South Cooperation.

46. The Special Unit has played an important role in galvanizing the sharing of research and information on issues relevant to southern countries, such as financial flows within the developing South and the new dynamics of trade that form part of globalization. In addition to contributing to the publication of the *South Report* discussed above, the Special Unit also provided support for a comprehensive joint UNCTAD-UNDP study of the promotion of Asian foreign direct investment in Africa, which was released in 2006.

47. In further efforts to rally support in the United Nations system for new and emerging sectors, on a South-South basis, the Special Unit and UNCTAD launched the Partnership for Technical Assistance for Enhancing the Creative Economy in Developing Countries in December 2005 during a symposium in Shanghai on the subject. The initiative resulted in the launch, on United Nations Day for South-South Cooperation in 2005, of a systematic effort to tackle issues affecting the competitiveness of creative industries in developing countries, building synergies and opening new venues to assist countries in fostering their creative economies. The Special Unit has supported existing initiatives, such as the International Centre on Creative Industries, in Brazil, which is supported by the International Labour Organization (ILO), the International Trade Centre, UNCTAD, UNDP, UNESCO and the World Intellectual Property Organization, as well as the Shanghai Creative Industries Association and the Africa-based knowledge-sharing network of southern creative industries. Other development-related activities organized in 2006 by the Special Unit for South-South Cooperation included a session on the creative economy during the Tenth World Summit of Young Entrepreneurs (São Paulo, Brazil, March) in partnership with the World Trade University; the Creative Industries Forum (Kingston, June) in partnership with the International Reggae Day Festival; the International Conference on Creative Economies for Development (Kigali, August) in partnership with World Culture Open; and the Creative Economy for Development International Forum (Rio de Janeiro, 26 November-1 December) in partnership with the World Cultural Forum. All those initiatives and key players from the global South will come together at the first Global South Creative Economy Expo, planned for 2008.

48. The Special Unit has also partnered with UNESCO in supporting the institutionalization of science and technology exchanges in the global South.

49. To further serve the United Nations system, the Special Unit provides a roster of southern experts that enables developing countries, various partners and organizations of the United Nations system to draw on the expertise of the South to develop their policies and programmes through the sharing of best practices.

50. Platform 3 of the third cooperation framework for South-South cooperation (2005-2007) also entails collaboration with various United Nations bodies to facilitate information-sharing, data-collection and better, more sophisticated, techniques for the analysis of relevant statistics to promote development through South-South cooperation. Thus, the Special Unit worked with ESCAP to hold regional workshops and draft national action plans and strategies for national statistical systems, in 2005 and 2006. It has also assisted countries in implementing the Marrakech Action Plan for Statistics, which requires all low-income countries to establish a national strategy for the development of statistics.

51. The Special Unit has also continued to develop its own information-sharing tools through the Web of Information for Development to provide an up-to-date and effective means for responding to a growing demand for experts by the United Nations system in a variety of development areas. The Web is newly equipped with a roster of experts to provide assistance in development projects, primarily for organizations of the United Nations system that are assisting countries of the South in the development of South-South cooperation initiatives, and to strengthen developing countries' capacities to offer expertise to their partners in the South.

52. Using a multi-stakeholder model of experience-sharing, the Special Unit Regional Division, based in the UNDP Regional Centre in Bangkok, and the Japan International Cooperation Agency Regional Support Office for Asia recently launched a new South-South cooperation network, called the Inter-Agency Network on South-South and Triangular Cooperation in Asia. The purpose of the Network is to facilitate enhanced cooperation among established donors, emerging donors, United Nations entities and regional institutions, by contributing to the promotion and strengthening of triangular cooperation arrangements within Asia and of interregional South-South cooperation. The Network is also intended to make development assistance more effective, with donor information-sharing and capacity-development, by responding to the beneficiary countries' requirements through a demand-driven multilateral process.

53. To further implement that Network, a consultative meeting was convened on 2 March 2007, that brought together 30 participants, including representatives from eight bilateral organizations (the Australian Agency for International Development, the Australian Centre for International Agricultural Research, the Canadian International Development Agency, the Department for International Development of the United Kingdom, the European Union, the German Agency for Technical Cooperation, the Korea International Cooperation Agency and the Japan International Cooperation Agency), as well as one international financial institution (the Japan Bank for International Cooperation), six United Nations entities (FAO, ILO, UNDP, ESCAP, UNFPA and UNIDO) and the Embassy of Japan. The German Agency for Technical Cooperation, the Japan International Cooperation Agency and UNDP were called upon to concretize the results of the meeting and form the nucleus of the emerging donor network. Substantive comments and support for the nucleus have since been received from ESCAP and FAO.

Forging broad-based partnerships and mobilizing resources for South-South cooperation

54. In addition to UNDP regular resources, the Special Unit continued to serve as the manager for the United Nations Fund for South-South Cooperation, the India,

Brazil and South Africa Facility for Poverty and Hunger Alleviation and the Pérez-Guerrero Trust Fund of the Group of 77 and China, as well as to implement a number of cost-sharing triangular initiatives, funded by Japan under the Tokyo International Conference on African Development initiative. Those other resources amounted to $13.289 million during the period under review, making a total of $27.875 million in resources available for implementation.

55. In 2005 and 2006, there were increased efforts to fund South-South cooperation initiatives in a variety of areas with complementary resources from Member States and United Nations entities. Resources contributed by Member States and United Nations bodies have been directed towards specific regions facing urgent challenges to development, such as tsunami-affected countries. In 2005, Algeria, Benin, Brazil, China, the Comoros, Egypt, Jamaica, Samoa, Trinidad and Tobago, Tuvalu and Venezuela (Bolivarian Republic of) contributed $3.5 million to the United Nations Fund for South-South Cooperation to support tsunami-affected countries. In 2006 alone, a total of $769,493 was disbursed to tsunami relief projects by the Special Unit for South-South Cooperation. In 2007, the Islamic Republic of Iran contributed $20,000 to the United Nations Fund for South-South Cooperation.

56. Other funds for South-South cooperation were also mobilized from Japan. They amounted to $3.1 million for new programmes in the period from 2005 to 2007, of which $1.877 million were allocated in 2006. In addition, China provided $1.7 million to the Special Unit for South-South Cooperation. Cost-sharing contributions came from Japan ($3.101 million) and South Africa ($945,000).

57. With the establishment of the India, Brazil and South Africa Facility for Poverty and Hunger Alleviation, at the first India, Brazil and South Africa Summit, in September 2006, the Special Unit for South-South Cooperation was entrusted with the management of an additional $3.056 million. The Heads of State of Brazil, India and South Africa each committed $1 million a year to the Facility at the Summit. In 2006, the Facility disbursed $356,819 for projects in Guinea-Bissau and Haiti and the Special Unit is now working to propose new strategies for implementing projects to be presented to the India, Brazil and South Africa Board of Directors in 2007.

58. As in previous years, the Special Unit for South-South Cooperation has continued its management and oversight of the Pérez-Guerrero Trust Fund, on behalf of the Group of 77 and China. In 2005, the Committee of Experts of the Trust Fund approved $315,000 for 10 projects and approved the same amount the following year for 11 projects. In 2007, the Committee of Experts increased the financial support pledged for 11 projects to $347,000. Additionally, the International Fund for Agricultural Development is to provide a grant of $200,000 to support activities of the Pérez-Guerrero Trust Fund for economic cooperation among developing countries and to strengthen South-South cooperation.

59. The Special Unit for South-South Cooperation has continued to serve as a United Nations system-wide coordinator and focal point through the three interactive, mutually reinforcing platforms set forth in its third cooperation framework for South-South cooperation (2005-2007). It has mobilized resources within the United Nations system and with other development partners and agencies to facilitate ongoing and innovative exchanges, particularly in areas such as policy development, advocacy, monitoring and partnership-building in the promotion of South-South cooperation.

60. Through platform 1, the Special Unit is working to catalyse joint research among organizations of the United Nations system and other interested partners on issues of common concern to developing countries. That will culminate in the establishment of a Global South Development Forum as an anchor for South-South policy dialogue. Under platform 2, the Special Unit serves as a facility for building the capacity of small and medium-sized enterprises, particularly in least developed countries, landlocked developing countries and small island developing States, with the aim of fostering business-to-business linkages and harnessing the capacity of the South to create jobs and reduce poverty to promote development. That will result in a market-based facility to encourage public-private partnerships in the development of enterprises through a market-based South-South GATE System, which, when fully operational, will facilitate the buying and selling of technology among developing countries and the mobilization of resources for development projects. Through platform 3, the Special Unit continues to build a facility for the exchange of information on policy and programmes in the South and the sharing of best practices.

61. Ultimately, the Special Unit seeks to create robust institutional mechanisms under all three platforms that will strengthen and enhance South-South cooperation by enabling individual agencies and actors to work more effectively to address the development needs of southern countries while mobilizing and enriching the resources, capacities and knowledge of the global South.

IV. Organizational, administrative and financial arrangements of the United Nations Development Programme in support of South-South cooperation

Organizational support

62. The United Nations Development Programme continued to provide organizational support to help advance South-South cooperation, mainly through its country offices, to enable them to implement South-South initiatives. South-South cooperation is included as a cross-cutting theme driving the 2008-2011 strategic plan. As an institutional commitment to the General Assembly, UNDP also continued to provide the organizational, administrative and financial support to enable the Special Unit for South-South Cooperation to perform effectively its global and United Nations system-wide responsibilities. That includes the provision of staff, office space and resources for those and other recurring costs.

Administrative support

63. The United Nations Development Programme also provides the Special Unit with other budgetary and administrative support in order for it to perform its mandated functions in serving as the full secretariat for the High-level Committee on South-South Cooperation, in organizing the annual United Nations Day for South-South Cooperation and in delivering its services through the regional service centres in Bangkok and Johannesburg and the Resident Coordinator system.

Financial arrangements

64. In addition to the provision of organizational and administrative support, UNDP also responded to the decision of the High-level Committee to continue to provide the Special Unit with a fixed annual amount of $3.5 million to enable it to undertake its functions. With the carry-over from the previous period, the total amount available to the Special Unit for the period from 2005 to 2007 is $14.586 million.

V. Conclusions and recommendations

65. The present report highlights the growing commitment to South-South cooperation and the need for a critical assessment of the ways in which the provisions contained in the guidelines have not yet been adequately met or implemented. On the one hand, there is a high level of demand for South-South cooperation policies, strategies, programmes and resources on the part of Member States and United Nations entities. Yet many of those programmes and policies remain ad hoc and bilateral in nature or confined to a few organizations rather than effectively mainstreamed within the entire United Nations system through effective coordination.

66. The Special Unit for South-South Cooperation observed a tremendous increase in the initiatives, programmes and policies adopted not only by United Nations organizations but also by Member States since the establishment of the guidelines on South-South cooperation. A growing number of non-State partners, such as entrepreneurs, private businesses, informal networks and universities, are also tapping into the tremendous potential of South-South cooperation to address emerging challenges to development at the same time that developing countries have been empowered to build their own capacity for economic growth, good governance and the meeting of global development targets. Not surprisingly, a number of United Nations organizations and UNDP country offices have indicated the need for greater coherence and coordination in the implementation of multilateral South-South cooperation programmes. Indeed, the Executive Committee on Economic and Social Affairs, at its February 2007 meeting, expressed strong support for enhancing the capacity of the Special Unit.

67. The High-level Committee on South-South Cooperation may wish to look into measures needed to act on the recommendation contained in the 2005 World Summit Outcome, calling for the strengthening of the institutional and financial capacity of the Special Unit for South-South Cooperation to carry out its multifaceted mandate of advancing South-South cooperation in the United Nations system.

68. As developing countries increasingly assist one another through debt cancellation, preferential loans, credit lines and other arrangements, the High-level Committee on South-South Cooperation may wish to consider ways in which the Special Unit could be empowered to optimize the mobilization of resources for South-South cooperation. In particular, many of the programmatic aspects of the Special Unit require greater resources, institutional capacity and support from organizations of the United Nations system to implement and carry them out effectively.